



*Michigan  
cares for...*

*Today's  
Child*



**Child Development and Care (CDC)**  
Family Independence Agency  
State of Michigan

[www.michigan.gov/fia](http://www.michigan.gov/fia)



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If you have any questions  
about the information in this  
booklet or about the Child  
Development and Care  
Program, contact your local  
Family Independence Agency  
office.





# *Child Development and Care (CDC) Program*



## 1. **WHAT** is the Child Development and Care (CDC) Program?

A Michigan Family Independence Agency (FIA) program that helps with child care costs.

## 2. **WHO** may be eligible for Child Development and Care benefits?

- Low-income families
- Licensed foster parents requesting care for foster children
- Members of an FIA protective or preventive services case participating in an approved treatment program for a physical, mental, or emotional condition.
- Family Independence Program (FIP) or Supplemental Security Income (SSI) recipients
- FIP applicants participating in a required Michigan Works! Agency (MWA) approved activity

## 3. **WHAT** are valid need reasons for CDC benefits?

Eligible families must demonstrate that they need child care benefits in order to:

- Work,
- Attend high school completion classes (including GED, ABE and ESL),
- Participate in approved MWA education and other employment preparation programs, or
- Participate in an approved treatment program for a physical, mental, or emotional condition.

Families must provide minimum verifications at application.

Any benefits received when the parent(s)/substitute parent(s) is not participating in one of the above need reasons **must** be repaid.

CDC does not pay for child care needed for respite care or during study time.



#### 4. **HOW** does a person apply for CDC benefits?

Before eligibility can be determined, the local FIA office must receive a signed, dated and completed application. It is to your advantage to apply as soon as you have a child care need. To apply, use one of the following forms available at all FIA local offices:

- an FIA-4583, Child Development and Care (CDC) Application (also available in Spanish, FIA-4583SP). This application form is also available and can be printed from the Internet at:  
[www.michigan.gov/fia](http://www.michigan.gov/fia). Select "Day Care."
- an FIA-1171, Assistance Application (also available in Spanish, FIA-1171SP).

#### 5. **WHAT** is required to determine CDC eligibility?

You may be asked to provide the following proofs:

- Your Social Security number
- Your identity
- Court orders of divorce and child support
- Earned and unearned income received by people in your household
- Your unavailability to provide child care
- The child care schedule
- The Social Security number, age and identity of your provider, if you are using a day care aide or relative care provider
- Citizenship/alien status of any child(ren) needing care who is not a U.S. citizen
- Any other information that may be requested by the FIA





## CDC Provider Types



You will be given a certain amount of time to provide this information to the local FIA office. Your application may be approved based on the information on your application and before you furnish all the proofs required. However, these proofs are needed to keep your case open. You and your provider will be notified of the decision.

If you are eligible and are using an eligible child care provider, both you and your provider will be mailed a notice listing each child who has been approved for care. If later your case closes, or you become eligible for a different amount, a notice will be sent to you and your provider.

### 6. **WHO** is an eligible child care provider?

- **Day Care Center** - A facility, other than a private residence, **licensed** to care for one or more children.
- **Group Day Care Home** - A private home **licensed** to care for up to twelve children.
- **Family Day Care Home** - A private home **registered** to care for up to six children.
- **Day Care Aide** - An individual employed by the parent(s)/substitute parent(s) and **enrolled** by the local FIA to provide child care in the home where the child lives.





## CDC Provider Types



- **Relative Care Provider** - An adult who is a:
  - grandparent/step-grandparent
  - great-grandparent/step-great-grandparent
  - aunt/step-aunt
  - uncle/step-uncle
  - sibling/step-sibling

of the child needing care who is age 18 or older, who does **not** live with the child, and who is **enrolled** by the local FIA to provide care in his/her own home (**not** the home where the child lives).

All providers must have an established rate that they charge for child care. The FIA may not be charged more than the provider's lowest established rate for a particular age child (including any discounts given).

If your child care provider has applied to be an FIA-enrolled day care aide or relative care provider, you and the provider applicant will be sent a notice of whether the enrollment is approved, denied or withdrawn.

If your current day care aide's or relative care provider's FIA-enrollment is revoked (terminated), you and your provider will be sent a notice to that effect. FIA will only pay eligible child care providers.

### 7. **WHAT** if I need help finding and choosing a child care provider?

Contact your local Community Coordinated Child Care (4C) agency at 866-424-4532. (See 4C Resources, pages 12 & 13 in this booklet.) The 4C agencies can give you a list of eligible providers near where you work or live who may be available to provide child care. In addition to providing names of possible providers, the 4C office can help you choose the best care setting for your child.





## CDC Payments

Two FIA publications are also available from your local FIA office or 4C regional office:

- FIA Pub-836, 4 Steps to Choosing Quality Child Care (also available on the Internet at: [www.michigan.gov/fia](http://www.michigan.gov/fia). Select "[Day Care](#)."), and
- FIA Pub-626, Accreditation: Added Security When Choosing Child Care.

### 8. **HOW** is the amount of child care payments figured?

The amount of payment depends on the care setting, age of the child, the county where the care is provided, the number of hours of care, the rate the provider charges and, in some cases, family income. FIA will pay actual cost **up to** our limit. The chart on page 7 shows maximum CDC rates.

Some families are required to pay part of the cost of child care based on the Income Eligibility Scale shown on page 9. Families are also responsible to pay any amount not paid by FIA.

### 9. **HOW** are payments made?

FIA sends payments directly to the providers (or the parents for day care aides). Payments for care provided by day care aides are issued in single-party checks in the name of the parent. The parents are responsible for paying the day care aides. Payments are issued every two weeks after the providers report the care they provided.

Any overpayments or underpayments must be immediately reported to the Family Independence Specialist. Return overpayments in a check made payable to the State of Michigan. Send it to the local FIA office.

**NOTE:** Day care aides are employed by you and are considered to be household employees under federal law. Therefore, you are required under the Fair Labor Standards Act to, among other things, pay the employer's share of any employer's taxes that need to be paid, such as Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA) taxes.





## CDC Payments



All providers must report to the agency every two weeks to receive payment. The amount of care authorized is the **maximum** number of hours of care that FIA will pay. Providers may only report the care they actually provide, except for allowable absences as described in the CDC Provider Handbook and Reporting Instructions for Child Care Providers (FIA Publication 230).

Providers will receive a pre-filled FIA-805, *Child Development and Care Billing/Reporting Record*, to assist in reporting and recordkeeping. If your provider does not receive an FIA-805 for a pay period in which he/she provided care, ask your Family Independence Specialist to send your provider an FIA-805A(s). Providers report using the Automated Billing for Child Care System (ABCS). Two options are available to them: telephone reporting or Internet reporting. They may only report for children authorized to them. Complete reporting instructions are included in the Provider Handbook and Reporting Instructions for Child Care Providers.

Payments made by FIA for child care services are reported to the Internal Revenue Service (IRS).

If benefits are overpaid for any reason, the extra benefits received will have to be repaid. If intentional misrepresentation caused the overpayment, the responsible party, including any adult in the program group or the group's authorized representative or provider of goods or services, may be prosecuted for fraud.





## ***FIA Maximum Hourly Rates\* Per Child***



Shelter Area	PROVIDER TYPE						
	Day Care Center		Family and Group Homes		Relative** Care Providers		Day Care Aides
	Child's Age		Child's Age		Child's Age		All Ages
	0-2 1/2 Yr	2 1/2 Yr+	0-2 1/2 Yr	2 1/2 Yr+	0-2 1/2 Yr	2 1/2 Yr+	
I	\$2.25	\$1.90	\$2.00	\$2.00	\$1.88	\$1.88	\$1.35
II	\$2.60	\$2.25	\$2.00	\$2.00	\$1.88	\$1.88	\$1.35
III	\$2.50	\$2.00	\$2.00	\$2.00	\$1.88	\$1.88	\$1.35
IV	\$2.85	\$2.25	\$2.00	\$2.00	\$1.88	\$1.88	\$1.60
V	\$3.00	\$2.25	\$2.25	\$2.10	\$2.12	\$1.97	\$1.60
VI	\$2.95	\$2.50	\$2.50	\$2.50	\$2.35	\$2.35	\$1.60

\*Infant/toddler incentive payments (ranging from 15 to 85 cents per hour) are available to qualifying providers caring for children ages 0-2 1/2 years old. See the Provider Handbook and Reporting Instructions for Child Care Providers (FIA Publication 230) for more information.

\*\*Relative means an adult who is a grandparent/step-grandparent, great-grandparent/step-great-grandparent, aunt/step-aunt, uncle/step-uncle, or adult sibling/step-sibling of the child needing care who provides the care in his/her home and does **not** live in the same home as the child.

**SHELTER AREA I:** Alger, Baraga, Gogebic, Huron, Iron, Keweenaw, Luce, Mecosta, Menominee, Presque Isle, and Schoolcraft Counties

**SHELTER AREA II:** Arenac, Chippewa, Delta, Houghton, Iosco, Lake, Manistee, Oceana, Ontonagon, Osceola, and Oscoda Counties

**SHELTER AREA III:** Alcona, Benzie, Cheboygan, Crawford, Dickinson, Gladwin, Hillsdale, Jackson, Kalkaska, Mackinac, Mason, Missaukee, Montcalm, Muskegon, Newaygo, Ogemaw, Sanilac, and Wexford Counties

**SHELTER AREA IV:** Allegan, Alpena, Antrim, Berrien, Branch, Calhoun, Cass, Charlevoix, Clare, Emmet, Gratiot, Ionia, Isabella, Marquette, Montmorency, Roscommon, St. Joseph, Shiawassee, Tuscola, and Wayne Counties

**SHELTER AREA V:** Barry, Bay, Clinton, Eaton, Grand Traverse, Kalamazoo, Kent, Lapeer, Leelanau, Lenawee, Midland, Otsego, Ottawa, Saginaw, and Van Buren Counties

**SHELTER AREA VI:** Genesee, Ingham, Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw Counties



## 10. **HOW** much child care assistance will I receive?

Some families must pay part of the cost of child care and other families do not.

In general:

- FIP and SSI recipients, licensed Foster Parents, Prevention and Children's Protective Services families do not pay for child care unless the cost of their care exceeds FIA maximums.
- Most other families pay part of the cost, based on their gross monthly income and the number of people in the family. See the CDC Income Eligibility Scale on the next page to determine your family contribution (if any). Family contributions range from 5%-30%. If a provider charges more than the maximum FIA rate, this percent may be more.
- The percent that FIA will pay ranges from 70%-100% of the FIA maximum rate, or the provider's charge, whichever is less.

## 11. **WHAT** if I disagree with the Agency?

If you disagree with any action taken by the FIA, you have the right to ask for a hearing. This request must be in writing to the local FIA office.





## CDC Income Eligibility Scale



Program Group Size	Gross Monthly Income				
1	\$0-\$1496	\$1497-\$1533	\$1571-\$1607	\$1571-\$1607	No FIA assistance if gross monthly income is over \$1607
2	\$0-\$1496	\$1497-\$1533	\$1534-\$1570	\$1571-\$1607	No FIA assistance if gross monthly income is over \$1607
3	\$0-\$1847	\$1848-\$1895	\$1896-\$1943	\$1944-\$1990	No FIA assistance if gross monthly income is over \$1990
4	\$0-\$2198	\$2199-\$2255	\$2256-\$2311	\$2312-\$2367	No FIA assistance if gross monthly income is over \$2367
5	\$0-\$2551	\$2552-\$2616	\$2617-\$2681	\$2682-\$2746	No FIA assistance if gross monthly income is over \$2746
6	\$0-\$2902	\$2903-\$2976	\$2977-\$3050	\$3051-\$3123	No FIA assistance if gross monthly income is over \$3123
7	\$0-\$3253	\$3254-\$3336	\$3337-\$3418	\$3419-\$3500	No FIA assistance if gross monthly income is over \$3500
8	\$0-\$3604	\$3605-\$3695	\$3696-\$3786	\$3787-\$3877	No FIA assistance if gross monthly income is over \$3877
9	\$0-\$3955	\$3956-\$4055	\$4056-\$4155	\$4156-\$4254	No FIA assistance if gross monthly income is over \$4254
10+	\$0-\$4309	\$4310-\$4417	\$4418-\$4525	\$4526-\$4634	No FIA assistance if gross monthly income is over \$4634
% of FIA Rate Paid	95%	90%	80%	70%	

Effective 2/01/2003



## Payment Example



Janet and her three children live in Ingham County (Shelter Area VI) and do not receive FIP or SSI payments. Janet is a single mom who needs child care for her two younger children while she is working. She does not need care for her 13-year old child.

She leaves her three year old at a day care center for seven hours a day, five days a week. Her other child, age six, is cared for by an FIA-enrolled day care aide in Janet's home for two hours a day after school.

The day care center charges \$105 per week for full time care (25+ hours). This is \$3.00 per hour ( $\$105 \div 35 \text{ hours} = \$3.00$ ). The FIA allowable rate is the lesser of the provider's charge (\$3.00) or the FIA maximum rate (\$2.50).

The day care aide charges \$1.50 an hour, which is less than the FIA maximum rate of \$1.60 per hour.

The FIA allowable amount is \$87.50 per week for the preschooler (\$2.50 per hour in a day care center x 7 hours x 5 days). The child care charge for the other child is \$15 per week (\$1.50 per hour for a day care aide x 2 hours x 5 days). The total allowable biweekly cost for child care is \$205 ( $\$87.50 + \$15 = \$102.50 \times 2 \text{ weeks} = \$205$ ).

(Example continues on next page.)





Janet's gross earnings are \$425 per week or \$1,828 gross earnings per month (\$425 x 4.3 weeks per month = \$1,828). She receives child support of \$430 per month. Her total gross monthly income is \$2,258. Based on her gross monthly income and family size of 4, FIA will pay 80% (\$164.00) of her allowable child day care costs every two weeks.

#### **Three-Year Old Child**

35	Hours of Care Needed Per Week
<u>x \$2.50</u>	Center's Allowable Hourly Rate
= \$87.50	Weekly Amount
<u>x 2</u>	Weeks
\$175.00	Biweekly

#### **Six-Year Old Child**

10	Hours of Care Needed Per Week
<u>x \$1.50</u>	Day Care Aide's Hourly Rate
= \$15.00	Weekly Amount
<u>x 2</u>	Weeks
\$30.00	Biweekly

\$240.00	Janet's Actual Biweekly Child Care Cost
\$205.00	Total FIA Allowable Biweekly Child Day Care Costs (\$175.00 + \$30.00)
<u>x 80%</u>	FIA Pay Percent
\$164.00	Amount of FIA payment





## 4C Resources

Call toll free **866-424-4532** to reach the 4C office serving your county.

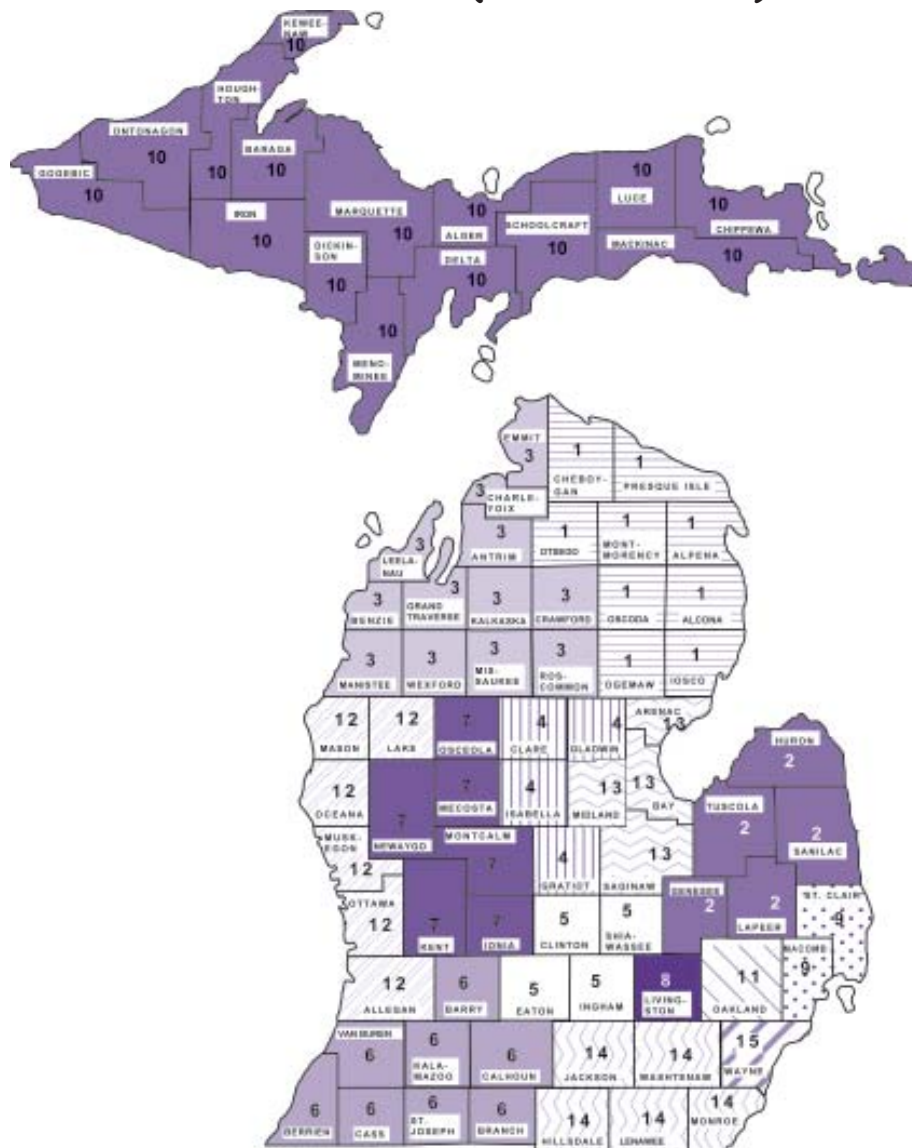
<u>Agency Name</u>	<u>Counties Served</u>
1. Child & Family Services Northeast Michigan 4C	Alcona, Alpena, Cheboygan, Iosco Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle
2. 4Child Care Unlimited	Genesee, Huron, Lapeer, Sanilac, Tuscola
3. Child Care Connections/ Northwest Michigan 4C	Antrim, Benzie, Charlevoix Crawford, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Roscommon, Wexford
4. Child Advocacy 4C of Central Michigan	Clare, Gladwin, Gratiot, Isabella
5. Office for Young Children/ Ingham Regional 4C	Clinton, Eaton, Ingham, Shiawassee
6. Child Care Resources/ Kalamazoo Regional 4C	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren
7. Kent Regional 4C	Ionia, Kent, Mecosta, Montcalm, Newaygo, Osceola
8. Livingston County 4C Council	Livingston
9. Macomb/St. Clair 4C	Macomb, St. Clair
10. 4C of the Upper Peninsula	All Upper Peninsula Counties
11. Oakland County Child Care Council	Oakland
12. Children's Resource Network/ Ottawa Regional 4C	Allegan, Lake, Mason, Muskegon, Oceana, Ottawa
13. Saginaw Valley Regional 4C	Arenac, Bay, Midland, Saginaw
14. Child Care Network/ Washtenaw Regional 4C	Hillsdale, Jackson, Lenawee, Monroe, Washtenaw
15. Detroit/Wayne County 4C	Wayne



## 4C Resources

**Michigan Community Coordinated  
Child Care (4C) Regional Offices**

**866-4CHILDCARE  
(866-424-4532)**







STATE OF MICHIGAN

Family Independence Agency

The Family Independence Agency will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, height, weight, marital status, political beliefs or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to an FIA office in your county.

QUANTITY: 50,000  
COST: \$9,269.41 (.19 ea)  
AUTHORITY: FIA Director

FIA Pub 798 (Rev. 11-03)  
(April 2003 edition may be used.)